THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) to (c) Pursuant to the meeting of the Committee on Balance of Payments Restrictions of the World Trade Organisation (WTO) held on 20-21 January, 1997, India presented to the WTO on 19 May, 1997 a plan for the elimination of all residual quantitative restrictions on imports, including those on agricultural products maintained for balance of payments purposes. This plan was considered at the resumed consultations with India of the WTO Committee in June-July 1997, when noting the divergence of opinion among WTO Members on the plan, it was agreed to conclude the consultations.

Subsequently, six WTO Members, namely, Australia, Canada, the European Communities (EC), New Zealand, Switzerland and the United States of America (USA), requested consultations with India under Article XXII of the General Agreement on Tariffs and Trade (GATT) 1994 and the Understanding on Rules and Procedures Governing the Settlement of Disputes. Pursuant to these consultations agreement has been reached with Australia, Canada, the EC, New Zealand and Switzerland in respect of the time-schedules for the elimination of residual quantitative restrictions on imports maintaned for balance of payments purposes. At the request of the USA, a panel has been constituted on 18 November 1997 to examine the US allegation that the continued maintenance of quantitative restrictions on imports by India is inconsistent with India's obligations under the WTO Agreement.

Article XI of the General Agreement on Tariffs and Trade (GATT) 1994 provides that no prohibitions or restrictions other than duties, taxes or charges, whether made effective through quotas, import or export licences or other measures shall be maintained by any Member of the World Trade Organisation (WTO). However, under the exceptional provisions of Article XVIII of the GATT, India has some residual quantitative restrictions on imports maintaned for balance of payments purposes.

Export of Cycle and Cycle-Parts

660. DR. ALLADI P. RAJKUMAR: Will the Minister of COMMERCE be pleased to state:

(a) the value of exports of cycles and cycle parts from India during the years 1995-96 as also the trend in the first quarter of the current year;

(b) the reasons for declining export trends in this industry;

(c) whether Government have received representation from the cycle industry that the capping of draw-back rates for cycle parts made effective by September, 1997 notification will usher a death-knell for the cycle industry; and

(d) if so, the reaction of Government thereto?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) The value of exports of cycles and cycle parts from India as well as trend in the first quarter of the current year is given below:—

(value in Rs. Crores)

Year	Complete cycles	Parts	Total
1995-96	142.18	595.42	737.60
1996-97	130.85	360.17	491.02
April-June '96 (prov.)	34.05	107.64	141.69
April-June '97	31.77	75.92	107.69

Source : DGCI&S

(b) The export of bicycles and parts suffered due to severe recession in the bicycle market in France & Germany. France has changed the SKD condition in its bicycle policy and now only complete bicycles can be imported into France. The exports to Latin America and Africa have also suffered due to economic conditions in these regions. Brazil has imposed Anti dumping duty on imports of 'free wheels' from India. Price cut by China in the US market is also another

factor. After the new GSP Scheme of EU, Indian bicycles attract 12.7% duty in the EU.

(c) Yes, a representation has been received from the Federation of Engineering Exports Organisation and Engineering Export Promotion Council against the drawback notification No. 39/97 datd 10.9.97.

(d) A corrigendum has since been issued on 17.11.97 increasing the capping rates on five items of bicycle spare parts.

Trade between India and erstwhile Soviet Union and CIS countries

661. SHRI K.M. SAIFULLAH: Will the Minister of COMMERCE be pleased to state:

(a) the value of trade between India and the erstwhile Soviet Union before its disintegration;

(b) the value of trade between India and the countries of erstwhile Soviet Union during 1996-97;

(c) the main items in which the decline in trade has occurred; and

(d) the steps taken to increase trade between India and these countries?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) The value of trade between India and the erstwhile Soviet Union during 1990-91 was Rs. 7803 crores.

(b) The value of trade between India and CIS and Baltic countries during 1996-97 was Rs. 5829 crores.

(c) The main items in which the decline in trade has occurred include tea, coffee, cashew, cosmetics and toiletries, chemicals, pulp and waste paper cotton raw and waste, fertilizers manufactured, iron and steel, etc.

(d) The government has initiated several measures for boosting Indo-CIS trade. These measures include regular review of trade between India and the countries of this region through meetings of Joint Commission, Working Groups and Joint business councils, encouraging consignment sales and opening of warehouses, broad-basing the basket of tradable goods, signing of agreements, opening of Indian Banks, participation in trade fairs and exhibitions and exchange of delegations.

Removal of quantitative restrictions on import of Consumers Goods

662. PROF. NAUNIHAL SINGH: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the Government are moving towards removal of quantitative restrictions (QRS) on imports of consumer goods; and

(b) whether Government are aware that the move has shaken up the domestic manufacturers of consumer goods as the lifting of QRS will have a tremendous adverse impact on it; if so, what steps have been taken up by Government to re-establish the confidence of domestic industry; the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH)A (a) to (b) Article XI of the General Agreement on Tariffs and Trade (GATT) 1994 provides that no prohibitions or restrictions other than duties, taxes or charges, whether made effective through quotas, import or export licences or other measures shall be maintained by any Member of the World Trade Organisation (WTO). However, under the exceptional provisions of Article XVIII of the GATT, India has some residual quantitative restrictions on imports maintained for balance of payments purposes. In May, 1997, India has presented to the WTO a plan for the elimination of these restrictions on imports, including those on consumer goods. This plan was considered at the consultations with India of the WTO Committee on Balance of Payments Restrictions in June-July, 1997, when noting the divergence of opinion